



RECYCLING REVENUE SHARING

A STAFF SUMMARY OF THE
IMPLEMENTATION OF RCW 81.77.185 (SHB
2308)

May 2003

A BRIEF HISTORY	3
Recycling Legislation in Washington State.....	3
Commission Regulation.....	4
Discussion of RCW 81.77.185.....	5
2002 COMMISSION STAFF ACTIVITY.....	6
Interested Parties	6
Discussion	6
<i>Voluntary recycling programs</i>	6
<i>Commercial programs</i>	7
<i>Other programs</i>	7
<i>Mandatory-pay programs</i>	7
IMPLEMENTATION PLAN.....	8
Summary of Company Tasks.....	8
Reporting Requirements	8
Summary of Commission Tasks	9
Appendix A – Planning Jurisdictions in Washington State...	11
Appendix B – Meeting Notices	14

RECYCLING REVENUE SHARING

A STAFF SUMMARY OF THE IMPLEMENTATION OF RCW 81.77.185

RCW 81.77.185 (1) *The Commission shall allow solid waste collection companies collecting recyclable materials to retain up to thirty percent of the revenue paid to the companies for the material if the companies submit a plan to the Commission that is certified by the appropriate local government authority as being consistent with the local government solid waste plan and that demonstrates how the revenues will be used to increase recycling. The remaining revenue shall be passed to residential customers.*

(2) *By December 2, 2005, the Commission shall provide a report to the legislature that evaluates: (a) The effectiveness of revenue sharing as an incentive to increase recycling in the state; and (b) The effect of revenue sharing on costs to customers.*

Utilities and Transportation Commission (Commission) Staff present this summary on the implementation of RCW 81.77.185. It is intended to document the implementation steps taken by Commission Staff, and to help guide companies in leveraging the revenue sharing opportunity. Beginning with a synopsis of events leading to the passage of Substitute House Bill 2308 (since codified as RCW 81.77.185), this report then explains Commission regulation, describes the public involvement opportunities provided to interested parties, discusses program eligibility, presents questions and answers about revenue sharing, and finally, describes certain tasks interested parties will find helpful in implementing the opportunities under this statute.

A BRIEF HISTORY

RECYCLING LEGISLATION IN WASHINGTON STATE

The first major bill that required waste reduction and recycling to be incorporated into state and local solid waste management plans¹ in Washington, entitled the Waste Not Washington Act of 1989, was Engrossed Substitute House Bill 1671. As a result of the order of priority set in the bill, the following solid waste management priorities were set forth in RCW 70.95.010:

1. Waste reduction.

¹ Either counties or cities prepare local plans. The list of planning jurisdictions in Washington State is attached.

2. Recycling, with source separation of recyclable materials as the preferred method.
3. Energy recovery, incineration or landfilling of separated wastes.
4. Energy recovery, incineration or landfilling of mixed wastes.

Because of these priorities, local planning jurisdictions began measuring their existing recycling programs and implementing new recycling programs. This resulted in a significant increase in the recycling rate. According to a Department of Ecology news release dated October 7, 2002, the recycling rate for the state hit a high of 40% in 1995, dropped to 32% in 1997, and has since returned to about 37%.²

Concern about the lack of improvement in the state recycling rate led the Senate Committee on Natural Resources, Energy & Water to direct the Washington State Department of Ecology to form a Recycling Assessment Panel. Specifically, the panel's charge was to assess the causes of the significant 1997 drop off in the state's recycling rate, and to identify, examine, and recommend actions to increase recycling. The panel met over four months in late 1999, focusing on different ways the state could act to increase recycling. The resulting report presented specific proposals to increase source reduction, increase amount and types of recycling, and increase available markets for recycled materials in Washington. Based on recommendations of this final report, waste reduction and recycling bills were introduced to the legislature in 2000, 2001, and 2002. Substitute House Bill 2308, was signed into law with an effective date of June 13, 2002.

The legislation creates opportunities and incentives for regulated companies to experiment with offering different recycling programs. Thus Staff perceived it inappropriate to promulgate rules that would potentially delay or obstruct this experimentation.

COMMISSION REGULATION

The Commission regulates solid waste collection companies under Chapter 81.77 RCW. In particular, RCW 81.77.030 defines supervision and regulation by the Commission. That statute says that the Commission shall: fix and alter rates, charges, classifications, rules, and regulations; regulate accounts, service, and safety of operations; require the filing of annual and other reports and data; supervise and regulate solid waste collection companies in all other matters affecting the relationship between them and the public which they serve; require compliance with local solid waste management plans and related implementation ordinances; and require solid waste collection companies to use rate structures and billing systems consistent with the solid waste management priorities set forth under RCW 70.95.010 and the minimum levels of solid waste collection and recycling services pursuant to local comprehensive solid waste management plans. As a result of this statute and the definition of solid waste in RCW 81.77.010 that includes source-

² <http://www.ecy.wa.gov/news/2002news/2002-189.html>

separated residential recyclables, the Commission plays a role in the implementation of new curbside recycling programs set forth in a local solid waste plan.

Regulated solid waste collection companies provide service in the unincorporated areas of Washington. According to the 2002 Population Trends for Washington State, about 40% of our population lives in unincorporated areas.³ According to Commission Staff research, another 9% of the population that receive WUTC regulated solid waste services live within incorporated cities or towns. The total population possibly affected by RCW 81.77.185 is about 2.9 million people. It is likely that an even smaller portion actually subscribe to solid waste collection service since it is mostly voluntary, and people have other options, such as hauling it to a local transfer station themselves, or backyard burning (which is illegal in many counties).

DISCUSSION OF RCW 81.77.185

The primary purpose of the bill was to implement the recommendations of the Recycling Assessment Panel's final report. Although the bill contained many elements, only Section Six of the bill specifically involves the Utilities and Transportation Commission and is thus the focus here.

Section Six of the bill has been codified as RCW 81.77.185. Subsection (1) of the statute states that solid waste collection companies regulated by the Utilities and Transportation Commission may keep up to thirty percent of the money they receive from the sale of recyclable materials only after they file a plan with the Commission that meets two criteria:

1. It must be certified by the appropriate local government authority; and
2. It must demonstrate how the revenues will be used to increase recycling.

Staff believe this means the company and the local government must work together to create a Company Recycling Plan that describes the proposed recycling program, how the company proposes to measure changes in the recycling rate, and how the money retained will be used to increase recycling. The concept behind this model of revenue sharing is that if solid waste carriers are allowed to keep more recycling revenue, they will have greater financial interest in encouraging their customers to recycle more and in finding buyers for the recyclable commodities.

Staff believe the appropriate local government authority referred to in the statute will likely vary by jurisdiction, and that the local government is in the best position to make that decision. Staff will recommend the Commission accept Company Recycling Plans accompanied by County Certification Letters that are signed by the head of the governing body itself (mayor,

³ <http://www.ofm.wa.gov/pop/poptrends/poptrends.pdf>

commissioners, etc.), or signed by other persons, so long as the Letter states that the person signing the Letter either:

- (a) has statutory authority or is authorized by ordinance or similar authority to make the certification for the local government, or
- (b) the appropriate governmental authority has delegated its authority to the person signing the letter to make a certification on behalf of the local government authority.

Subsection (2) of the statute requires that the Commission report to the legislature by December 2, 2005. This Legislative report will evaluate the effectiveness of this model of revenue sharing in increasing Washington State's recycling rate, as well as how revenue sharing affects customer costs.

2002 COMMISSION STAFF ACTIVITY

In implementing this statute, Commission Staff reviewed the legislative record, established a list of affected parties, established discussion topics, circulated notices about public meetings, and held one scoping meeting and two public meetings.

INTERESTED PARTIES

The statute refers to the Commission, solid waste collection companies, and appropriate local government authority. Commission Staff sent public meeting notices to all solid waste planning jurisdictions in the state identified by the Department of Ecology. This list included all thirty-nine counties and the Cities of Seattle and Everett. Staff also sent notices to all solid waste collection companies regulated by the Commission. The notices are attached.

Fifty-six people, ranging from regulated solid waste collection companies and commercial recycling operators, to representatives of tribal, state and local government, participated in the public involvement opportunities. Documentation of these processes is available from Commission Staff. Staff can be reached at telephone 360.664.1160, fax 360.586.1150, e-mail at info@wutc.wa.gov, or by mail at P.O. Box 47250, Olympia, WA 98504-7250.

DISCUSSION

Several questions about what kinds of programs are eligible for inclusion in a Company Recycling Plan were resolved during the discussions in the scoping meeting and the public meetings.

VOLUNTARY RECYCLING PROGRAMS

A company can use the Company Recycling Plan to establish a voluntary curbside recycling program. Where voluntary curbside recycling programs are in place, Commission Staff's current

practice of including the income from the sale of recyclables into the company's net income will continue. This practice, barring extreme increases in recyclable commodity values, effectively returns the revenue to customers as required in the statute. The portion of revenue the company is allowed to keep under this statute will cause an increase in the customer's bill.

Staff would recommend to the Commission that voluntary yard waste collection qualify as a recycling program under the new statute. Commission Staff believe, as stated in RCW 70.95.030, that the local solid waste management plan is the deciding document on what is recycling within a planning jurisdiction. This means that as long as the appropriate city or county has identified yard waste as recycling in its plan, Staff believes yard waste would be appropriate to include in a Company Recycling Plan.

COMMERCIAL PROGRAMS

The Federal Aviation Administration Authorizing Act of 1994 (FAAAA) pre-empted any regulation of rates, routes, or services for commercial recycling. This means that the Commission only checks insurance, safety, driver qualifications, and issues common carrier permits for commercial recycling companies.

OTHER PROGRAMS

Other programs may be eligible to include in a Company Recycling Plan, Staff believe it is inappropriate and impractical to focus on "acceptable programs." This is an experiment and we should encourage and enable innovation. Education components, marketing components, and other unique opportunities may be considered appropriate. Companies should contact local government to discuss other ideas.

MANDATORY-PAY PROGRAMS

A mandatory-pay program is one in which the local government has established, through an ordinance or other method, a requirement that everyone who receives solid waste curbside collection services must pay for curbside recycling collection services whether they use them or not. A solid waste collection company cannot use the Company Recycling Plan to establish a mandatory-pay program because it has no independent authority to do so. The local planning jurisdiction must adopt an ordinance to establish this kind of program. This is a separate process, not related to the Company Recycling Plan discussed in this report. However, mandatory-pay curbside recycling programs are currently in place in several counties. Where mandatory-pay programs are in effect, a company also generally has the deferred recycling commodity

adjustments⁴ in place. Because of the existing requirement for an annual adjustment to match current conditions, the revenue sharing amount can be easily updated at the same time and incorporated into the company's current rates.

A second question about whether or not yard waste could be a mandatory-pay program was raised. Although the Commission has not allowed these programs to stay in effect in the past, as long as the planning jurisdiction has passed an ordinance or placed in its plan the details of a mandatory-pay yard waste program, Staff would recommend the Commission approve such a program. However, this is not necessarily part of the Company Recycling Plan. It can be accomplished as a completely separate effort.

IMPLEMENTATION PLAN

SUMMARY OF COMPANY TASKS

- 1) Contact local planning jurisdiction and work with them to develop Company Recycling Plan.
- 2) Inform Utilities and Transportation Commission Solid Waste Section of impending filing before Company Recycling Plan is complete.
- 3) Finalize Company Recycling Plan.
- 4) Get certification of Company Recycling Plan from appropriate local government authority.
- 5) File certification and Company Recycling Plan as part of the supporting documentation for tariff filing, with 45 days' notice, with the Commission.

REPORTING REQUIREMENTS

Each Company Recycling Plan must include a method to measure the effectiveness of revenue sharing as an incentive to increase recycling. Companies may include alternate measures of revenue sharing effectiveness for the program they propose. In Staff's opinion, the minimum data needed to evaluate the effectiveness of the program are:

- 1) Four years of historic residential recycling data as a baseline for the Commission's report to the legislature.

⁴ The deferred recycling commodity adjustment (RCA) is a mechanism used by the Commission to return to the customer the revenue a company receives from the sale of recyclable materials. It consists of a forecast of the value of the commodities for the next year, and a true-up based on the actual payments made to the customer for the commodities for the previous year. It is based on net revenue rather than gross revenue, meaning that if a company has to pay to get rid of a commodity, that negative amount is left in the calculation.

2) Data organized as follows:

- a. Separation by county or city boundary (Staff recognizes that each planning jurisdiction may require different services. If planning jurisdictions wish to pool their resources and approve one Company Recycling Plan for two areas, Staff will recommend the Commission accept the filing.);
- b. Separation by commodity;
- c. Monthly tonnage of each commodity;
- d. Monthly tonnage of solid waste disposed by customer type (residential v. commercial);
- e. Number of customers by type; and
- f. The recycling rate by month, which will be the following percentage:

Total monthly tonnage of recyclables

Total monthly tonnage of recyclables
+ total monthly tonnage of municipal
solid waste disposed

- g. In addition, the tons residential recyclables per month will be reported as tons recyclables per customer.
- 3) Staff will recommend the Commission require quarterly reports of this data throughout the duration of the active revenue sharing program.
- 4) Staff will recommend the Commission require the company to retain the background records for the measures for a minimum of five years to allow for comparisons.

SUMMARY OF COMMISSION TASKS

- 1) Commission Staff will facilitate discussions and provide technical assistance to companies and local planning jurisdictions before, during, and after the Company Recycling Plan process.
- 2) The percentage of revenue to be retained by the company under a certified Company Recycling Plan is subject to Commission action.
- 3) The Commission will set rates for new residential programs being offered, as well as set the recycling commodity adjustment to incorporate the revenue sharing effects, using the Open Meeting process already in place.

- 4) Staff believe that the revenue kept by the company under an approved Company Recycling Plan would be removed from the net revenue on the income statement for regulatory purposes. The statute allows companies to retain up to thirty percent of the revenue from the sale of recyclable commodities. Staff believe this means that even if a company must pay to get rid of a certain commodity, that amount will not be offset against the calculation of how much money the company gets to retain.
- 5) Staff will make every effort not to influence the outcome of the Company Recycling Plan.
- 6) The Commission will report on the results of the revenue sharing program, including any changes in the recycling rate (as calculated in 2.f. above) as a result of revenue sharing, to the legislature in December of 2005.
- 7) The Commission will report on any effects on customer bills as a result of revenue sharing to the legislature in December of 2005.

**APPENDIX A – PLANNING
JURISDICTIONS IN WASHINGTON
STATE**

Adams County Public Works
Recycling Coordinator Dixie Fultz
115 North Broadway
Othello, WA 99169

Asotin County
Recycling Coordinator Steve Becker
2901 Sixth Avenue
Clarkston, WA 99344

Benton County Solid Waste, Waste
Reduction, and Recycling
PO Box 110
Prosser, WA 99350-0110

Chelan County Solid Waste
Recycling Coordinator
350 Orondo Street
Wenatchee, WA 98801

Clallam County/City of Port Angeles
Recycling Coordinator
PO Box 1150
Port Angeles, WA 98362

Clark County Solid Waste and Recycling
515 W 15th Street, Suite B
PO Box 9810
Vancouver, WA 98666-9810

Columbia County Engineers Office
Recycling Coordinator Roger Trump
535 W. Cameron PO Box 5
Dayton, WA 99328

Cowlitz County Public Works
Recycling Coordinator
85 Tennant Way (Longview)
207 4th Avenue North
Kelso, WA 98626

Douglas County Solid Waste Program
636 Valley Mall Parkway, Ste 204
East Wenatchee, WA 98802

Ferry County Public Works
Recycling Coordinator Louis Miller
PO Box 305
Republic, WA 99166-0305

Franklin County Public Works
Recycling Coordinator Sally McKenzie
4316 Stearman
Pasco, WA 99301

Garfield County
Recycling Coordinator Mike Selivanoff
PO Box 160
Pomeroy, WA 99347-0580

Grant County Public Works
Recycling Coordinator Joan Melvin
124 Enterprise Street S.E.
PO Box 37
Ephrata, WA 98823-0037

Grays Harbor Utilities & Development
Division
Recycling Coordinator
100 West Broadway
PO Box 511
Montesano, WA 98563-0511

Island County Solid Waste
Recycling Coordinator David Bonvouloir
PO Box 5000
Coupeville, WA 98239-5000

Jefferson County Solid Waste Division
PO Box 2070
Port Townsend, WA 98368

King County Solid Waste
Division/Recycling Topics
Recycling Coordinator Mark Buscher
201 S. Jackson St., Ste. 701
Seattle, WA 98104-3855

City of Seattle Public Utility
Recycling Coordinator Julie Pond
710 Second Avenue, Suite 505
Seattle, WA 98104

Kitsap County Solid Waste
Recycling Coordinator Dave Peters
614 South Division Street
Port Orchard, WA 98366-4699

Kittitas County Solid Waste Department
Recycling Coordinator
925 Industrial Way
Ellensburg, WA 98926

Klickitat County Solid Waste
Recycling Coordinator
131 West Court Street
Goldendale, WA 98620

Lewis County Solid Waste
Recycling Coordinator
360 NW North St.
Chehalis, WA 98532-1900

Lincoln County Public Works
Recycling Coordinator Maria Bircher
27234 SR 25 North
Davenport, WA 99122

Mason County Department of
Utilities/Waste Management
Recycling Coordinator Gina Monteverde
123 West Cota
PO Box 1277
Shelton, WA 98584-1277

Okanogan County Public Works
Recycling Coordinator
PO Box 232
Okanogan, WA 98840-0232

Pacific County Health District
Recycling Coordinator
PO Box 26
South Bend, WA 98586-0026

Pend Oreille County Public Works
Recycling Coordinator Paul Wilson
PO Box 5040
Newport, WA 99156

Pierce County Solid Waste & Recycling
Recycling Coordinator
9116 Gravelly Lake Drive SW
Tacoma, WA 98499-3190

San Juan County Solid Waste Division
Recycling Coordinator Jon Shannon
1000 Guard Street
PO Box 729
Friday, Harbor WA 98250-0729

Skagit County Solid Waste Division
Recycling Coordinator Gary Sorenson
1111 Cleveland Avenue
Mount Vernon, WA 98273-4215

Skamania County Courthouse
Recycling Coordinator
PO Box 790, Courthouse Annex
Stevenson, WA 98648-0790

Snohomish County Solid Waste
Management
Recycling Coordinator Steve Goldstein
2930 Wetmore Avenue, 5th Floor, Suite 101
Everett, WA 98201-4044

City of Everett
Recycling Coordinator Tom Thetford
3200 Cedar Street
Everett, WA 98201

Spokane Regional Solid Waste System
Recycling Coordinator Jessie Lang
West 808 Spokane Falls Boulevard
Spokane, WA 99201-3344

Stevens County Public Works
Recycling Coordinator Dennis Durbin
185 E. Hawthorne
Colville, WA 99114

Thurston County Dept. of Water & Waste
Management
Recycling Coordinator
921 Lakeridge Drive SW Bldg 4
Olympia, WA 98502-6045

Wahkiakum County
Recycling Coordinator
PO Box 97
Cathlamet, WA 98612-0097

Walla Walla/Columbia County Recycling
Recycling Coordinator Sharon Johnson
310 W Popular, Suite 001
Walla Walla, WA 99362

Whatcom County Solid Waste Division
Recycling Coordinator Penni Lempere
316 Lottie Street
Bellingham, WA 98225-4010

Whitman County Public Works
Recycling Coordinator Julie Fox
PO Box 430
404 North Main Street
Colfax, WA 99111

Yakima County Solid Waste Division
Recycling Coordinator
105 East "A" Street
Yakima, WA 98901

APPENDIX B – MEETING NOTICES

September 20, 2002

NOTICE OF WORKSHOP
(In Olympia on October 3, 2002, at 9:30 a.m.)
(In Ephrata on October 17, 2002, at 1:00 p.m.)

RE: IMPLEMENTATION OF RCW 81.77.185 REVENUE SHARING (SHB 2308)

TO INTERESTED PERSONS:

On August 26, 2002, the Washington Utilities and Transportation Commission (Commission) circulated a Notice of Opportunity to Increase Recycling through the implementation of RCW 81.77.185, resulting from the passage of Substitute House Bill 2308.

STAKEHOLDER WORKSHOP:

The Commission has scheduled a workshop to discuss the process for creating a Company Recycling Program (CRP) plan and implementing new recycling programs. In order to encourage attendance, the Commission will hold the workshop on both the east and west side of the state.

Westside Workshop

Date and Time: Thursday, October 3, 2002
9:30 a.m. to 12:00 p.m.
Location: Chandler Plaza Building, Room 206
1300 S. Evergreen Park Drive S.W.
Olympia, Washington

Eastside Workshop

Date and Time: Thursday, October 17, 2002
1:00 p.m. to 3:30 p.m.
Location: Grant County Public Works Meeting Room
124 Enterprise St. S.E.
Ephrata, Washington.

The purpose of the workshop is to facilitate a discussion between counties and companies about recycling opportunities in their areas that would be good candidates for inclusion in the CRP. The statute also requires the Commission to measure the effectiveness of revenue sharing. Commission staff would like to discuss possible measurement methods.

If you need additional information or want to be added to the mailing list, please call Deborah Reynolds at (306) 664-1255 or e-mail her at dreynold@wutc.wa.gov.

KEY QUESTIONS

Commission Staff recognize that certain parts of the statute require some discussion before a final implementation plan can be produced. Please consider the following points and be prepared to discuss them at the workshop.

1. How will companies use revenue to increase recycling?
2. Is there a standard list of items a local government needs to see in the Company Recycling Program Plan in order to certify it?
3. How can the effectiveness of revenue sharing be measured?
4. What data will come out of this process?

If you would like staff to prepare any of your materials prior to the workshop, please send it to Deborah Reynolds at dreynold@wutc.wa.gov or at 1300 S. Evergreen Park Drive S.W., P.O. Box 47250, Olympia, Washington, 98504-7250, not later than **September 30, 2002**. Staff encourages you to bring any additional materials or examples relating to the company recycling plan.

Utilities and Transportation Commission Implementation Plan for RCW 81.77.185 Revenue Sharing

81.77.185 (1)

The first section of the statute allows solid waste collection companies to retain up to thirty percent of the revenue from the sale of recyclable materials if they file a plan to do so.

1. What does the Commission do currently to establish rates for recycling programs?

Currently, companies file the recycling program expenses with the Commission, and staff use those numbers to determine the revenue requirement for providing the recycling program. The aggregated revenue or expense from the sale of the recyclable commodities is filed separately on an annual basis.

- In voluntary programs, the company currently retains all the revenue from the sale of the commodities.
- In mandatory programs, Commission uses deferred accounting to track the value of the recyclable commodities and apply the cost or revenue to the customer bill.
- Commission reviews Cost Assessment element of Comprehensive Solid Waste Management Plan (SWMP) and requires the company to implement the programs described. Rates for services may increase as a result.
- The SWMP may need to be updated to include the Company Recycling Plan (CRP).

2. What is the deferred accounting methodology?

In simple terms, the deferred accounting methodology as used by the Commission is a way to apply the value of recyclable commodities to the bills of the customers who must pay for recycling.

3. Where is the deferred accounting methodology used?

The deferred accounting methodology is only used in the portions of counties where paying for recycling is mandatory.

4. How can you tell where recycling is mandatory?

You can review the local solid waste management plan, its implementing ordinances, and the mandatory-pay program boundaries to discover that information.

5. Who is responsible for the Company Recycling Plan?

The company is responsible to prepare the plan, and the county is responsible for certifying the plan as being in compliance with the county solid waste plan.

6. Will the Company Recycling Plan be re-certified and updated every year?

The CRP will be updated and re-certified in sync with the commodity adjustment renewal.

7. What might the County want to see in the Company Recycling Plan?

- a. A detailed description of the current program, including collection type (source-separated, co-mingled, bins, toters), frequency of pick-up, commodities being collected, etc.
- b. Attach a copy of the ordinance that makes recycling mandatory.
- c. A detailed description of the proposed program, including how it will integrate with the existing program.

- d. A clear description showing what percentage of the money from the sale of commodities will be used to increase recycling.
- e. A detailed budget showing how the money will be spent to increase recycling, directly cross-referenced with the detailed description of the proposed program.
- f. The volume of solid waste disposed during the last twelve months.
- g. The volume of recyclable materials collected during the last twelve months.
- h. The recycling rate for the company during the last twelve months.
- i. Forecasts of recycling rate increases expected from implementation of the program (through increased participation, increased volumes, etc)
- j. References to the portions of the local government SWMP being implemented by the CRP.
- k. A letter from the appropriate local government certifying that the CRP is consistent with the local SWMP.
- l. If the program described in the CRP is not part of the current SWMP, the certification letter from the local government must explain the rationale for certification.

8. What will the Commission do differently because of the legislation?

Commission will work with the companies and the counties during the preparation of the the company recycling plans (CRP).

Commission will work with the county/city and the company to develop proposals, and rely on the county/city evaluation of the CRP.

CRPs will need letters from the relevant counties certifying that the CRPs are in compliance the local SWMP.

RCW 81.77.185 (2)

The second part of the legislation is a report to the legislature by 2005 about the effectiveness of the recycling plans and changes in costs for recycling to customers.

9. How will we know if revenue sharing is an effective incentive to increase recycling in the state?

We can look at the recycling rate by company and compare companies using revenue sharing and the changes in their recycling rates by year to companies that don't use revenue sharing and the changes in their recycling rates by year. To do this, we need to know the recycling rate by company. The formula could be tons recycled divided by the sum of tons recycled and tons disposed. Each company will need to report that information to the Commission.

10. How will we know the effect of revenue sharing on costs to customers?

The Commission will need to document the changes in recycling program costs to customers, and include that data in the report.

RCW 81.77.185

(1) The commission shall allow solid waste collection companies collecting recyclable materials to retain up to thirty percent of the revenue paid to the companies for the material if the companies submit a plan to the commission that is certified by the appropriate local government authority as being consistent with the local government solid waste plan and that demonstrates how the revenues will be used to increase recycling. The remaining revenue shall be passed to residential customers.

(2) By December 2, 2005, the commission shall provide a report to the legislature that evaluates:

(a) The effectiveness of revenue sharing as an incentive to increase recycling in the state; and

(b) The effect of revenue sharing on costs to customers.